

MEMORANDUM

To: Board of Regents

From: Board Office

Subject: Faculty Practice Plan Self-Insurance – “28E Agreement”

Date: March 5, 2003

Recommended Action:

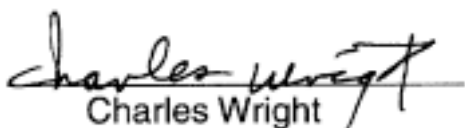
1. Authorize the University to formalize the self-insurance program to protect the State and members of the Faculty Practice Plan (Plan) from liability claims resulting from the operation of the Plan.
 2. Delegate to the Board's Executive Director authority to review and approve the self-insurance program, based upon the counsel and advice of the Board and the Board president, prior to implementation.
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Executive Summary:

<p>State Tort Claims Act protects faculty</p> <p>Faculty Practice Plan has provided additional coverage</p> <p>Private carrier ending coverage</p> <p>Self-insurance sought</p> <p>Parties covered by self-insurance</p>	<p><u>Iowa Code</u> §669.20 (section of Tort Claims Act) provides liability protection for employees functioning within the scope of their authority. This protection extends to all staff engaged in the University of Iowa's Roy J. and Lucille A. Carver College of Medicine (College) Faculty Practice Plan (Plan). Notwithstanding this protection, the Plan has provided a level of self-insurance as well as external liability insurance for Plan participants which has partially indemnified both the participants and the State through a private carrier.</p> <p>The private carrier has indicated its intent to withdraw from the medical malpractice market. The University and College, after discussing the matter with several Regents, have pursued with State officials a process for providing a self-insurance program for the Plan.</p> <p>Parties to the self-insurance program would include --</p> <ul style="list-style-type: none"> • The Plan; • The Iowa Department of Justice as the entity charged with responsibility for advising the Board concerning claims under the State Tort Claims Act and with defending, compromising and settling lawsuits filed against the State and its employees; • The State Appeals Board as the entity authorized to act on behalf of the State to consider, ascertain, adjust, compromise, settle, determine, and allow claims pursuant to the Tort Claims Act: and
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and allow claims pursuant to the Tort Claims Act; and

	<ul style="list-style-type: none">• The State Executive Council as the entity authorized to approve the employment of outside legal counsel with the concurrence of the Attorney General.
Inter-agency 28E agreement sought	The self-insurance program would be developed through an inter-agency agreement authorized by the <u>Code of Iowa</u> , Chapter 28E. Such an agreement requires official action by all parties to the agreement.
Limits on self-insurance coverage	The self-insurance program being considered by the University and College would provide coverage of \$5-million per claim with an annual aggregate limit of \$9-million per year. Initially, the program would terminate on June 30, 2004.
Requirements of delegation by Board to Executive Director	<p>In delegating to the Executive Director authority to review and approve the self-insurance program, the Board requires that –</p> <ul style="list-style-type: none">• Funding sources for the self-insurance program be identified;• State and University general funds not be allocated to this program;• The Board's legal counsel in the Office of the Attorney General provide the Board a written statement indicating the self-insurance program is in compliance with State and federal laws, rules, and regulations, said legal counsel to be independent of legal counsel working on the development of the self-insurance program;
Board receive information	<ul style="list-style-type: none">• The Executive Director will receive a report from the University on the implementation of the self-insurance program when implementation is complete; and• The Executive Director shall receive a report annually on the operation of the self-insurance program and shall provide an analysis of it to the Board.


Charles Wright

Approved: 
Gregory S. Nichols